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ACTION EUR-25

INFO OCT-01 EA-10 CAB-09 CIAE-00 COM-08 DODE-00 DOT-12

E-15 INR-07 NSAE-00 RSC-01 L-03 P-03 PRS-01 USIA-12

RSR-01 /108 W

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R 171800Z FEB 70 ZFF-5
FM AMEMBASSY ROME
TO SECSTATE WASHDC 3956
INFO AMCONSUL MELBOURNE

DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY [signature] DATE 5 MAY 1982
RDS☐or XDS☐EXT. DATE
TS AUTH. REASON(S)
ENDORSE EXISTING MARKINGS ☐
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LIMITED OFFICIAL USE ROME 0816

SUBJECT: CIVAIR

REF: ROME 726; STATE 21822; 19029

1. WHILE RECOGNIZING DIFICULTY AND EXPENSE OF CONVENING FORMAL BI-LATERAL NEGOTIATIONS IN ROME, EMBASSY BELIEVES THAT FOR POLITICAL AS WELL AS TACTICAL REASONS WE SHOULD NOT TURN DOWN ITALIAN REQUEST FOR FURTHER FORMAL ROUND.

2. ITALIANS HAVE APPARENTLY BEEN TRYING TO USE INTRO-DUCTION OF 747 BY PAN AM AS BARGAINING LEVER; HOWEVER, AS JUNE 6 SCHEDULED DATE FOR INITIATION OF ALITALIA'S OWN 747 SERVICES APPROACHES, US OBTAINS LEVERAGE OF ITS OWN ON THIS ISSUE. ALITALIA WILL BE IN FINANCIAL DIFFICULTY IF IT CANNOT FLY ITS 747 ON THE ROME-NY RUN.

3. FROM CONVERSATIONS EMBASSY HAS HAD WITH FOREIGN OFFICE AND WITH SANTINI, SEEMS CLEAR THAT SANTINI'S DISAPPOINTMENT WITH FORMAT OF INFORMAL DISCUSSIONS IS GENUINE WHATEVER THEIR OBJECTIVE MERITS. HE IS CONCERNED THAT OFFERS MADE AND PROPOSALS DISCUSSED IN INFORMAL MEETINGS ARE SUBJECT TO LATER WITHDRAWAL AND THAT ACTUAL STATE OF OFFERS AND COUNTER-OFFERS OFTEN REMAINS OBSCURE WHEN DISCUSSIONS HAVE ENDED.

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IN ADDITION, HE FEELS SOMEWHAT OUTNUMBERED BY AMERICAN DELEGATION WHEN INFORMAL TALKS HELD IN WASHINGTON DESPITE CONSIDERATION ADVANCED IN STATE'S 19029. WE UNDERSTAND HE HOPES THAT FORMAL NEGOTIATIONS CAN THRASH OUT POINTS AT ISSUE ONE BY ONE UNTIL AGREEMENT IS REACHED AND RECORDED OFFICIALLY ON EACH IN TURN. RECENT DISCUSSIONS WITH SERAFINI INDICATE THAT ITALIANS BELIEVE USEFUL INFORMAL CONVERSATIONS CAN BE CARRIED ON SIMULTANEOUSLY IN EFFORT TO REDUCE DIFFERENCES TO POINT WHERE FORMAL AGREEMENT CAN BE REACHED A NEGOTIATING TABLE.

4. EMBASSY CANNOT JUDGE HOW SERIOUS ITALIANS ARE IN REQUESTING CONTROLLED FREQUENCIES ON 747. IF, HOWEVER, 747S ARE FLYING REGULAR SCHEDULES TO LONDON, PARIS AND FRANKFURT WITHOUT FREQUENCY RESTRICTIONS WHEN NEGOTIATIONS RESUME, PRESSURE ON ITALIANS TO WITHDRAW THEIR OBJECTIONS WILL BE HEAVY.

5. EMBASSY URGES THAT MEADOWS SCHEDULE ROME STOP ON RETURN FROM ORIENT TO BRIEF EMBASSY AND DISCUSS OUTLOOK FOR NEGOTIATIONS.
MARTIN

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